
HOUSE BILL No. 1097

DIGEST OF INTRODUCED BILL

Citations Affected: P.L.29-2006, SECTION 4.

Synopsis: Legislators' pension pilot program. Extends the pilot program for the defined contribution plan of the legislators' retirement system until July 1, 2010. (The introduced version of this bill was prepared by the pension management oversight commission.)

Effective: July 1, 2007.

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January 26, 2007, read first time and referred to Committee on Rules and Legislative Procedures.

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First Regular Session 115th General Assembly (2007)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2006 Regular Session of the General Assembly.

HOUSE BILL No. 1097

A BILL FOR AN ACT concerning pensions.

Be it enacted by the General Assembly of the State of Indiana:

- 1 SECTION 1. P.L.29-2006, SECTION 4, IS AMENDED TO READ
2 AS FOLLOWS [EFFECTIVE JULY 1, 2007]: SECTION 4. (a) As used
3 in this SECTION, "PERF board" refers to the public employees'
4 retirement fund board of trustees established by IC 5-10.3-3-1.
5 (b) As used in this SECTION, "fund" refers to the fund for the
6 defined contribution plan of the legislators' retirement system
7 established by IC 2-3.5-3-2.
8 (c) Beginning January 1, 2004, the PERF board shall conduct a pilot
9 program concerning:
10 (1) the implementation of a member's investment selection; and
11 (2) the crediting of a member's contributions and earnings;
12 for the fund.
13 (d) The pilot program referred to in subsection (c) must include the
14 following elements:
15 (1) Notwithstanding IC 2-3.5-5-3(b)(2), the PERF board shall
16 implement a member's selection under IC 2-3.5-5-3 not later than
17 the next business day following receipt of the member's selection
18 by the PERF board. This date is the effective date of the member's



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selection.

(2) Notwithstanding IC 2-3.5-5-3(b)(7), all contributions to a member's account in the fund must be allocated under IC 2-3.5-5-3 not later than the last day of the quarter in which the contributions are received and reconciled in accordance with the member's most recent effective direction.

(3) Notwithstanding IC 2-3.5-5-3(c) and IC 2-3.5-5-3(d), when a member retires, becomes disabled, dies, or withdraws from the fund, the amount credited to the member is the market value of the member's investment as of five (5) business days preceding the member's distribution or annuitization at retirement, disability, death, or withdrawal, plus contributions received after that date.

(4) Notwithstanding IC 2-3.5-5-4, contributions to the fund under IC 2-3.5-5-4 must be credited to the fund not later than the last day of the quarter in which the contributions were deducted.

(5) Notwithstanding IC 2-3.5-5-5, the state shall make contributions under IC 2-3.5-5-5 to the fund not later than the last day of each quarter. The contributions must equal twenty percent (20%) of the annual salary received by each participant during that quarter.

(e) Before November 1 ~~2006~~, **of each year**, the PERF board shall report to the pension management oversight commission established by IC 2-5-12 the results of the pilot program referred to in subsection (c) and shall recommend proposed legislation if the report includes a finding that the pilot program should be implemented on a permanent basis. If the PERF board recommends implementing the pilot program on a permanent basis, the PERF board shall provide to the pension management oversight commission a schedule to implement the elements of the pilot program on a permanent basis for all funds for which it has responsibility.

(f) This SECTION expires July 1, ~~2007~~ **2010**.

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